

Minister of Indian Affairs
and Northern Development



Ministre des Affaires
Indiennes et du Nord canadien

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MACKENZIE VALLEY
ENVIRONMENTAL IMPACT
REVIEW BOARD

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TO/A: Mary Cassell

FROM/DE: Hon. Andy Scott

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FAX NUMBER: (819) 953-4941

PHONE NUMBER: (819) 997-0002

Canada

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July 5 2005
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Ms. Gabrielle Mackenzie-Scott
Chair
Mackenzie Valley Environmental Impact Review Board
PO Box 938
YELLOWKNIFE NT X1A 2N7

Dear Ms. Mackenzie-Scott:

I am writing on behalf of the Responsible Ministers (Indian and Northern Affairs Canada, Fisheries and Oceans Canada, Environment Canada, and the Government of the Northwest Territories' Department of Environment and Natural Resources) with jurisdiction relating to the Paramount Resources Limited (Paramount), Cameron Hills Extension Project (Project), to convey our decision on the Mackenzie Valley Environmental Impact Review Board's (Review Board) recommendation to approve the Project subject to mitigation measures as outlined in the Environmental Assessment Report. This decision was taken after:

- considering the above-noted Report and Reasons for Decision for the Paramount Project;
- undertaking consultation with the Review Board on the mitigation measures contained in the Report of Environmental Assessment, pursuant to paragraph 130(1)(b)(ii) of the *Mackenzie Valley Resource Management Act* (the Act);
- considering letters to Indian and Northern Affairs Canada from Paramount (June 14, and December 17, 2004); from the Ka'a'Gee Tu First Nation (June 24, and August 10, 2004); from the Ka'a'Gee Tu First Nation's legal counsel, (July 20, August 31, November 19, December 13, 2004, and March 24, and April 28, 2005); from the Canadian Association of Petroleum Producers (July 30, 2004); from the Fort Providence Resource Management Resource Board (August 10, 2004); from the West Point First Nation (August 10, 2004); from the Deh Cho First Nation (July 7, 2004, and April 12, 2005); and from the Fort Providence Métis Council Local #57 (January 22, 2005);

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- considering comments received from the Parties to the Environmental Assessment by the Review Board with respect to the proposed modifications of the Responsible Ministers to the mitigation measures (process initiated November 29, 2004); and
- considering the letter from the Review Board to Indian and Northern Affairs Canada (March 15, 2005).

Pursuant to section 130(1)(b)(ii) of the Act, the Responsible Ministers have agreed to adopt the recommendation of the Review Board with modifications. The modifications are in regard to six of the recommended mitigation measures identified by the Review Board as being necessary to prevent a likely significant adverse impact on the environment. The final measures, as modified and approved by the Responsible Ministers, are enclosed and reflect the views expressed by the Review Board in the consultation process, and in its letter of March 15, 2005.

I wish to thank the Review Board for discharging its duties under the Act in this matter.

Yours sincerely,
*Original signed by
a signé l'original*

The Honourable Andy Scott, PC, MP

Encl.

c.c.: The Honourable Stéphane Dion, PC, MP
The Honourable Geoff Regan, PC, MP
The Honourable Michael J. Miltenberger, MLA

The Final Mitigation Measures as Modified and Approved by the Responsible Ministers for the Paramount Resources Limited Cameron Hills Extension Project

RECOMMENDED MEASURE 1 (not modified)

The Review Board recommends that regulatory authorities include in their authorizations those items set out in the Developer's commitment, outlined in Appendix A, that are within their jurisdiction.

RECOMMENDED MEASURE 2

National Energy Board

RECOMMENDED MEASURE 3

National Energy Board

RECOMMENDED MEASURE 4

National Energy Board

RECOMMENDED MEASURE 5

National Energy Board

RECOMMENDED MEASURE 6

National Energy Board

**RECOMMENDED MEASURE 7 - (as modified)
Replacement with New Suggestion 7**

The Review Board suggests that the appropriate regulatory and other government agencies work together to finalize enforceable Air Quality Guidelines specific to the Northwest Territories.

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RECOMMENDED MEASURE 8 (not modified)

The Review Board recommends that Paramount modify its spill reporting procedures for the Paramount Cameron Hills developments to include notice of spill occurrences to potentially affected communities. Spills must be reported according to the Northwest Territories Spill Reporting Procedures.

RECOMMENDED MEASURE 9

National Energy Board

RECOMMENDED MEASURE 10 (not modified)

The Review Board recommends that Paramount, in the case of an isolated water crossing, maintain downstream water flow at pre-in-stream work levels. All in-stream work must be completed as expeditiously as possible to mitigate disruption of fish movements.

RECOMMENDED MEASURE 11 (as modified)

The Review Board recommends that the Department of Fisheries and Oceans conduct regular site visits to the Cameron Hills to inspect for, and determine if any impacts to fish or fish habitat have occurred. Reports of these inspections, if not related to an enforcement investigation, must be made publicly available via The Department of Fisheries and Oceans and also be sent directly to Ka'a'Gee Tu First Nation, in a plain language version.

RECOMMENDED MEASURE 12 (as modified)

The Review Board recommends that the Department of Environment and Natural Resources will, within the next six months, initiate the formation of a Deh Cho Boreal Caribou Working Group. The Department of Environment and Natural Resources shall lead the Deh Cho Boreal Caribou Working Group in the development of a Boreal Caribou Management Plan for boreal caribou populations in the southern Deh Cho (south of the Mackenzie River and east of the Liard River) within 18 months. In developing the Boreal Caribou Management Plan, the Department of Environment and Natural Resources shall ensure that the Deh Cho Boreal Caribou Working Group considers, among other things: habitat identification, range plan development,

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thresholds, monitoring systems, adaptive mitigation, research programs and cumulative effects models. The Department of Environment and Natural Resources shall also co-ordinate the Deh Cho Boreal Caribou Working Group's activities with similar working groups in Alberta and British Columbia; and operate within the framework of recovery planning for Boreal Caribou in the Northwest Territories, and develop a Range Plan within the overall Boreal Caribou Management Plan specifically for the Cameron Hills area. The Department of Environment and Natural Resources shall provide applicable thresholds for the Project to the Mackenzie Valley Land and Water Board over time based on the outcomes of future research and natural changes to the boreal caribou habitat.

RECOMMENDED MEASURE 13 (as modified)

The Review Board recommends that the Mackenzie Valley Land and Water Board adopt as an interim measure an average linear disturbance target of 1.8 km per km squared as a boreal caribou disturbance threshold for land use permits in the area encompassed by Ecodistricts 250 and 251 in the Northwest Territories¹, in order to prevent significant adverse environmental impacts on boreal caribou populations whose range includes the Paramount Significant Discovery Licence and surrounding area. The linear disturbance target and other related conditions will be reviewed annually by Mackenzie Valley Land and Water Board and appropriate regulatory authorities, and adjusted as necessary, based on the best available scientific information and traditional knowledge, and project area information, including Paramount reports and plans.

Paramount will submit an annual report to the Mackenzie Valley Land and Water Board detailing disturbance to boreal caribou habitat resulting from past Project activities and the state of a re-growth of disturbances. The annual report will be similar to proponent reports done in other jurisdictions such as British Columbia or Alberta. Paramount will also include in the report any of its plans that may affect boreal caribou habitat for the upcoming year.

Modification (Part 2) - New Suggestion 8

The Review Board suggests that in all future land use applications for Ecodistricts 250 and 251 in the Northwest Territories¹, the appropriate regulatory authorities give full consideration to the boreal caribou disturbance threshold in place at the time.

¹ As described in *Terrestrial Ecozones, Ecoregions and Ecodistricts of the Northwest Territories, Canada*. Ecological Stratification Working Group. 1995. National Ecological Framework for Canada. Agriculture and Agri-Food Canada, Research Branch, Centre for Land and Biological Resources Research and Environment Canada, State of the Environment Directorate, Ecozone Analysis Branch, Ottawa/Hull. Report and national map at 1:7,500,000 scale.

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RECOMMENDED MEASURE 14 (not modified)

The Review Board recommends that Paramount locate at least 50 percent of all proposed and planned development in the Cameron Hills Significant Discovery Licence, as described in Paramount's Developer's Assessment Report, on areas that are currently disturbed (as of the date of Ministerial approval of this Report of Environmental Assessment). This requirement should be included as a condition in land use permit MV2002A0046.

RECOMMENDED MEASURE 15 (as modified)

The Review Board recommends that Paramount commit, in a letter to the Parties to the Environmental Assessment, to compensate the Ka'a'Gee Tu First Nation and other affected Aboriginal groups for any direct wildlife harvesting and resource harvesting losses suffered as a result of project activities, and to consider indirect losses on a case-by-case basis.

RECOMMENDED MEASURE 16 (as modified)

The Review Board recommends that Paramount report annually to the Government of the Northwest Territories and the other Parties to the Environmental Assessment, documenting its performance in the provision of socio-economic benefits, such as employment and training opportunities for local residents, including a detailed ongoing community consultation plan describing the steps it has taken and will take to improve its performance in those areas. The Government of the Northwest Territories will review this report with Paramount in collaboration with the other Parties to the Environmental Assessment.

RECOMMENDED MEASURE 17 (not modified)

The Review Board recommends that the Ka'a'Gee Tu First Nation be notified directly if any heritage resources are suspected or encountered during Paramount's activities in the Cameron Hills.